MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 3, 2018/2019

UTS2612 – INTERNATIONAL TRADE AND SHIPPING LAW

(All Sections / Groups)

29 MAY 2019
Reading Time : 9:00a.m. – 9:15a.m.
(15 Minutes)
Answering Time : 9:15a.m. – 12:15p.m.
(3 Hours)

INSTRUCTIONS TO STUDENTS

1. Students will have **fifteen minutes** during which they may read the paper and make rough notes ONLY in their question paper. Students then have the remaining **THREE HOURS** in which to answer the questions.

2. This Question paper consists of 3 pages with 4 Questions only.

3. Attempt **1A OR 1B** from **PART A** and answer **ALL** from **PART B.** All questions carry equal marks and the distribution of the marks for each question is given.

4. Students are only allowed to bring in CLEAN AND ORIGINAL COPY of the following statutes into the exam venue:
   i. Merchant Shipping Ordinance 1952
   ii. Carriage of Goods by Sea Act 1950
   iii. Sale of Goods Act 1957
   iv. Reciprocal Enforcement of Judgments Act 1958
   v. United Nations Convention on Contracts for the International Sale of Goods (CISG)
   vi. Hague-Visby Rules

"Clean" is defined to include no tagging, no annotation either by the publisher or anyone else, and no erased marking. Highlighting and underlining are also prohibited.

5. Please write all your answers in the Answer Booklet provided.

PART A (Attempt **1A OR 1B** from this section)

Question 1A

a) Why are ships required registration under international law?

(3 marks)

b) What is 'flags of convenience' and why do ship-owners prefer to register at 'flags of convenience' countries?

(4 marks)

c) Discuss the term 'genuine link' between the ship and the flag State.

(8 marks)

d) The Five Star Shipping, a leading American shipping company is willing to register one of its fleets in Malaysia.
Advise Mr. Robert on the procedures and requirements of ship registration in Malaysia.

(10 marks)

(Total: 25 marks)

OR

Question 1B

With reference to the Marine Insurance Act 1906, compare the following types of marine insurance.

a) Voyage and time policies; (9 marks)

b) Valued and unvalued policies; and (8 marks)

c) Floating policy and open cover. (8 marks)

(Total: 25 marks)

Continued...

PART B (Answer **ALL** from this section)

Question 2

Popular Trading, a German Corporation (seller) and Unique Trading, an Australian corporation (buyer), started negotiations to sell power tools such as power drills and power saws. The negotiations of the contract terms started in Germany where the parties met at the Trade Fair on 15th December 2016. After returning to Australia, the buyer continued discussions by phone and by email. During one phone call, the buyer asked "Can you send me 450 power drills and 500 power saws to Sydney for $19,500?" The seller answered, "I can do it for $22,000." The buyer said, "You sure drive a hard bargain. If you throw in extra parts for the drills, we will have a deal. And I would like the goods to arrive at Sydney Port on 15 March 2017."

The seller then sent this message by email: "As you requested, we have included extra spare drill parts and will deliver them on time." The buyer then telephoned and left the following message on the answering machine: "I got your email and that sounds great."

During the voyage to Sydney, the ship had to deviate from the usual route to avoid piracy prone areas and it took longer to arrive the destination and thus the goods arrived at Sydney Port on 20 March 2017.

When the goods arrived at Sydney Port, the buyer refused to take delivery, stating that he never entered into a written contract to buy the tools. Even if there were a written contract, he would still refuse to take delivery for breach of contract by the seller for late delivery.

The seller started litigation in the German courts. Assuming that there is a contract with no governing law clause, the court has to decide which law shall be the governing law.

Both countries are parties to the UN Convention on Contracts for the International Sale of Goods (CISG) 1980.

Discuss all the issues involved with reference to the UN Convention on Contracts for the International Sale of Goods (CISG) 1980 and the Hague-Visby Rules.

(Total: 25 marks)

Question 3

Critically discuss the duties and immunities of the Carrier with reference to the Carriage of Goods by Sea Act 1950.

(Total: 25 marks)

Continued...

Question 4

a) NYK Shipping would like to enter into a ship building contract with The Best Ship Building Company. Discuss the factors to be considered in making a ship-building contract.

(15 marks)

b) Compare and contrast the characteristics of 'maritime lien' with other 'maritime claims'.

(10 marks)

(Total: 25 marks)

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